

### Am I Eligible?

To be eligible, applicants must:

1. Have an adequate and dependable income;
2. Be a U.S. Citizen or be legally admitted to the United States for permanent residence;
3. Have an adjusted annual household income that does not exceed the moderate income limit established for the area;
4. Have a credit history that indicates a reasonable willingness to meet obligations as they become due;
5. Have a repayment ability based the ratios of 29/41;
6. Must be without decent, safe and sanitary housing within the local commuting area;
7. Be unable to obtain a loan without Private Mortgage Insurance;
8. Possess the legal capacity to incur the loan.

### What Types of Homes Qualify?

- Guaranteed loans can be made on either new or existing home;
- Existing homes must be structurally sound, functionally adequate, and in good repair;
- There are no restrictions on the size or design of the home financed;
- Homes with in-ground swimming pools are not allowed;
- The home must not be used for income-producing purposes;
- Homes must be located in eligible rural areas.

### Eligible Rural Areas

Some portions of the Commonwealth are not eligible. Please check our website for details

### What are the terms?

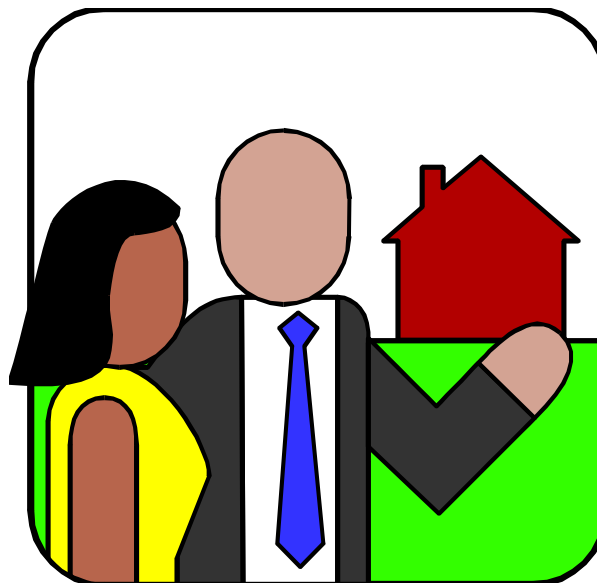
Loans may be made for up to 102% of the appraised value. The repayment period is 30 years.

### What loan closing costs will I need to pay?

Applicants should expect to pay their loan closing costs that may include lender fees, attorney fees, title services, funding escrow accounts, and other pre-paid items. These fees may be included in the loan amount if supported by the appraisal. Or, the fees may be paid from gift funds or a seller contribution. Loan closing costs will amount to approximately 7% of the sales price of the house.

### Where Do I Find Out Additional Information About the Home Buying Process?

We recommend that potential homebuyers take a "Homebuyers Class" prior to applying for a loan and looking for a house. These classes review important issues such as the Realtor/client relationship, how to find your dream home, budgeting, proper use of consumer credit, the



lender/client relationship, and what to expect once you are a homeowner. The classes are offered for

free by non-profit organizations, The Virginia Housing Development Authority, Rural Development, Fannie Mae, and some lenders. The VHDA web site provides a calendar of schedule homeownership classes at [www.vhda.com](http://www.vhda.com). Classes are offered by video tape, textbook or classroom style. All first time homebuyers are required to take a class to qualify for GRH financing.

### Where Do I Make an Application?

Many banks, mortgage companies and brokers are approved GRH lenders.

For a full list of lenders, please visit our web site or contact our office listed below.

The approved GRH lender will take and process your loan application.

### Contact Us At:

1606 Santa Rosa RD, Suite 238  
Richmond VA 23229  
(804) 287-1595  
(540) 434-7965 TDD  
(804) 287-1720 (Fax)  
Michelle Corridon, Single Family Housing Specialist

Or at:

<http://www.rurdev.usda.gov/va>

## Income Eligibility

Area	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Charlottesville MSA	53700	61350	69000	76700	82850	88950
Clarke	57850	66150	74400	82650	89250	95900
Culpeper	50000	57150	64300	71450	77150	82850
Danville MSA	46700	53350	60050	66700	72050	77350
Johnson City MSA	46700	53350	60050	66700	72050	77350
Kina George	53800	61450	69150	76850	83000	89150
Lynchburg MSA	46700	53350	60050	66700	72050	77350
Norfolk MSA	47650	54450	61250	68050	73500	78950
Richmond MSA	54450	62200	70000	77750	84000	90200
Roanoke MSA	46700	53350	60050	66700	72050	77350
Warren County	48850	55850	62800	69800	75350	80950
Washington MSA	58350	66700	75050	83400	90050	96700
Kina William	52000	59450	66900	74300	80250	86200
Rapahannock	50850	58150	65400	72650	78500	84300
Frederick	49000	56000	63000	70000	75600	81200
Northumberland	47600	54400	61200	68000	73450	78850
Rest of State	46700	53350	60050	66700	72050	77350



## SECTION 502 GUARANTEED RURAL HOUSING LOANS INFORMATION FOR APPLICANTS AND REALTORS

This program is administered by the Rural Housing Service (RHS), an agency within the Rural Development mission area of the U.S. Department of Agriculture (USDA).

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